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Assessing the business development strengths and needs of women and Latino farmers in Iowa

Abstract

Women and Latino farmers were surveyed about their needs for materials to inform their farming enterprises and help make them economically successful. Researchers will use the findings to develop appropriate supporting materials.

Keywords

Business Management, Sociology, Business management distribution and marketing, Human systems demographics and beginning farmer programs

Disciplines

Business Administration, Management, and Operations | Entrepreneurial and Small Business Operations | Human Geography | Marketing | Rural Sociology

Assessing the business development strengths and needs of women and Latino farmers in Iowa

Abstract: Women and Latino farmers were surveyed about their needs for materials to inform their farming enterprises and help make them economically successful. Researchers will use the findings to develop appropriate supporting materials.

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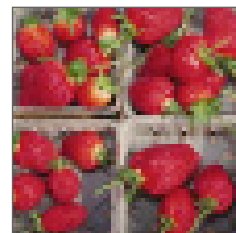
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Budget:

\$11,120 for year one

Q What is the depth of women and Latino farm owners' understanding of basic business skills?

A After surveying these two groups, the project results demonstrated a need to target materials and workshops in the areas of capital acquisition and business planning.



MARKETING

Background

The American farming population is becoming more diverse, particularly because of increased numbers of women and Latino farmers. As an expanding proportion of the farming population, and especially given these groups' propensity toward diversified and/or organic production, women and Latino farmers are good candidates for producing more of the fresh, locally grown produce, dairy and meats an increasing number of Iowa consumers want. To help these groups of interested farmers achieve economic stability, Iowa must invest in the success of their small-scale, diversified farm businesses.

In order to determine what business management support these new farmers need, and how they want it delivered, this project surveyed samples of both populations. The goal was to understand the business development strengths and challenges of Latino and women farmers in order to create the most effective resources to disseminate to each population. This effort should lead to woman and Latino farmers changing their business management behavior in ways that will improve their viability.

Approach and methods

Women Farmers: Questions for a survey were developed through consultation with experts who have experience in working with both Iowa agriculture and women farmers. The questionnaire subsequently was pilot-tested with this group, then revised and sent to 135 women farmers in Iowa. (The list of women farmers in Iowa was obtained from the Women, Food and Agriculture Network.) A total of 72 questionnaires were returned, a response rate of 53.3 percent.

Latino Farmers: Personal interviews (either group or individual) were conducted with 13 Mexican immigrants who either are farming currently or interested in farming. The interview protocol was adapted to accommodate both groups (farmers and "aspiring farmers"), resulting in two separate questionnaires.

The difficulty of finding Latino farmers made developing and testing a simple farm business development toolkit less valuable than originally proposed. Instead, after the interview the investigators followed up with a Latino farmer interested in starting a small dairy and cheese-making plant. They arranged a meeting for him at his

farm with a Farm Service Agency (FSA) loan officer and the state dairy inspector. This meeting was to identify improvements that would need to be made to his facility to pass inspection for a commercial dairy, estimate the cost, and allow the farmer to evaluate the option of applying for a loan.

Results and discussion

Because the sample of Hispanic farmers was small and varied in composition, the analysis of results was limited to women farm owners. Not unexpectedly, those respondents who had a business plan and those who did not showed significant differences in their responses to the following questions: (1) knowledge of breakeven point for at least one product sold, (2) average annual net income generated from farm, (3) understanding of how to create a written business plan for farm, (4) interest in learning more about creating a written business plan for the farm, (5) importance of business goals in business plan, (6) importance of business description in business plan, (7) importance of business strategy in business plan, (8) importance of marketing in the business plan, (9) importance of financial plan in business plan, and (10) knowledge of breakeven point for every product sold. This group of farmers showed a clear need for further business planning knowledge, and an interest in obtaining it, preferably through free workshops and mentoring relationships.

Conclusions

Women farm owners: The results of the WFAN survey showed that most women farmers in this sample have been farming more than 10 years, own their own land, and grow and sell a wide variety of crops. They are highly educated (one-third hold graduate degrees), and keep good income and expense records. However, less than one-third of them have a written business plan. Only 46 percent track labor hours, and 15 percent had never filed a Schedule F income tax form for their farm business. These knowledge gaps will hinder their ability to obtain financing to expand their operations if they wish, as well as provide for their own retirement, cover health care costs, etc. (Seventy-two percent of respondents also reported net annual incomes of \$25,000 or less, but this is not a reliable indicator of the success, or lack thereof, for a small-scale farm business, as some farmers deliberately choose to keep income below certain tax levels.)

Latino farmers: The survey results show that while most of those with a serious interest in farming (including the three existing farmers) have a clear idea about what kind of farming operation they would like to have, none have put these ideas down on paper in the form of a business plan. Similarly, while some farmers (and even gardeners) keep track of their expenses (for seeds, etc.) by saving receipts, only one person had experience with formal recordkeeping for a farm-related business. Even though FSA provides a certain amount of technical assistance in completing a loan application and helping applicants figure out whether an investment will improve cash flow, the survey results show that these farmers and aspiring farmers would benefit from assistance in writing a business plan, recordkeeping, and other basic business skills. Overall, the project did not completely meet the objective of developing a business planning curriculum for either the women or Latino famers. It became clear that this will require significant resources beyond the funding provided in this grant. The re-

searchers' intent is to undertake this stage of the work without Leopold funding over the next year.

Impact of results

Women farmers: The results of the survey will allow WFAN's staff and Van Auken to design more effective outreach programming methodology and tools to help Iowa's women farmers improve their business planning skills. Once these programs are delivered effectively, more current women farmers will increase their success in agriculture, and more beginning farmers will begin their careers on a more solid business footing.

Latino farmers: The results of the interviews with Latino farmers as well as the process of identifying Latino farmers and making new connections with this hard-to-reach population will allow NCAT and partners to reach these groups more effectively in the future. In particular, facilitating a connection for Farm Service Agency with a Latino farmer will help FSA develop its experience and knowledge base in working with this population. While just one of the 13 people interviewed was willing to meet with FSA during the timeframe of this project, at least one other person (an "aspiring farmer") expressed serious interest in meeting with FSA, and several others were very interested in hearing about FSA financing programs.

The results of this project will aid technical assistance personnel at Iowa's agencies, universities and nonprofit organizations in analyzing the preferences and needs of women and Latino farmers as expressed in the 2011 survey and interviews, and revising or creating new programming to meet those needs.

Education and outreach

The preliminary results of the women and Latino farmer research were shared with Leopold Center grantees at a Marketing and Food Systems Initiative meeting in spring 2011. In addition, the results were reported in the fall 2011 issue of the WFAN newsletter, and posted on the WFAN website (www.wfan.org). The results of the interviews with Latino farmers will be shared with targeted agricultural educators, including Farm Service Agency.

NCAT is currently developing a farm business planning lesson module for immigrant farmers and other non-native English speakers through a three-year Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers grant from the USDA. The results from this project will be used in creating these new resources.

This project should be considered Phase I of a longer-term program of developing more effective outreach programs on business planning for Iowa's women and Latino farmers. WFAN will work with existing providers of small-scale farm business planning training to create a free workshop series for women farmers beginning in 2012.

Leveraged funds

No additional funds were leveraged by this project.

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